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Financing of the United Nations Interim Administration Mission in Kosovo

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK) for the period from 10 June 1999 to 30 June 2000 (A/54/494). During its consideration of the report, the Committee met with representatives of the Secretary-General who provided it with additional information and clarification. The Committee had to work on the basis of an advance text in English only. The Committee points out that the final printed version of the document has been changed in a number of substantive areas compared with the advance text.

2. The proposed budget of UNMIK for the period from its inception on 10 June 1999 to 30 June 2000 provides for a total strength of 9,812 personnel, including 38 military liaison officers, 4,718 civilian police, 1,269 international staff, 3,566 local staff, 18 National Officers and 203 United Nations Volunteers, and amounts to $456,451,200 gross, inclusive of the commitment authority of $200 million already authorized by the General Assembly in its resolution 53/241 of 28 July 1999. The proposed budget of UNMIK also includes budgeted voluntary contributions in kind estimated at $585,500.

3. The United Nations Interim Administration Mission in Kosovo was established by the Security Council in its resolution 1244 (1999) of 10 June 1999 for an initial period of 12 months, to continue thereafter unless the Security Council decides otherwise. The General Assembly, in its resolution 53/241, authorized the Secretary-General to enter into commitments in an amount not exceeding $200 million for the operation of the Mission. By the same resolution, the Assembly decided to apportion an amount of $125 million among Member States.

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4. The Advisory Committee was informed that of the total assessment of $125 million, $43.3 million had been received as at 15 October 1999, leaving an outstanding balance of contributions of $81.7 million. The updated financial situation of UNMIK is as follows:

(a) Cash position (as at 18 October 1999), $28.6 million;

(b) Expenditures (as at 22 October 1999, reflecting field expenditures as at 30 September 1999), $66.9 million;

(c) Current loan from the peacekeeping reserve fund, $7.45 million.

5. As can be seen from the report of the Secretary-General, of the total proposed budget of the Mission, some 52 per cent of resources relate to civilian personnel costs and 43 per cent relate to operational costs. Staff assessment comprises 4 per cent of the total, and military personnel costs comprise 1 per cent. The Advisory Committee points out that unless the collection of contributions improves, the Mission will face a very seriously debilitating cash-flow problem that might damage its ability to fulfil its mandate.

6. A preliminary concept of operation for UNMIK, as well as a framework for the United Nations-led international civil operation in Kosovo based on the assessment conducted by the advance team of UNMIK, were set out in the reports of the Secretary-General to the Security Council of 12 June (S/1999/672) and 12 July 1999 (S/1999/779). The Secretary-General also reported on the implementation of Council resolution 1244 (1999) and covered developments in Kosovo that had occurred since his report of 12 July (S/1999/987 and Add.1).

7. The Advisory Committee points out that the size, scope, structure and mandate of UNMIK are unique in the United Nations. UNMIK is headed by the Special Representative of the Secretary-General, who is the highest international civilian official in Kosovo. The Special Representative is assisted by a Principal Deputy Special Representative in directing and managing UNMIK. As indicated in the financing report (A/54/494, para. 8), the Principal Deputy Special Representative will also ensure a coordinated and integrated approach by the Mission's four components ("pillars"), namely, Civil Administration (led by the United Nations), Humanitarian Affairs (led by the Office of the United Nations High Commissioner for Refugees), Institution-building (led by the Organization for Security and Cooperation in Europe) and Reconstruction (led by the European Union); each of the four components is headed by a Deputy Special Representative.

8. In his report to the Security Council dated 12 July 1999, the Secretary-General indicated that the Deputy Special Representatives would report directly to the Special Representative on the implementation of their tasks and would also be responsible for ensuring the effective coordination of all activities, both of UNMIK and its partners, within their areas of designated responsibility (S/1999/779, para. 46). According to the Secretary-General, the main instrument through which the Special Representative ensures the implementation of the Mission's objectives is the Executive Committee, whose membership includes the Special Representative, the Principal Deputy Special Representative and the four Deputy Special Representatives.

9. The Executive Committee is assisted by a Joint Planning Group, which is chaired by the Principal Deputy Special Representative and is composed of senior planning staff from each lead organization. As indicated in the report on the financing of UNMIK, the main tasks of the Joint Planning Group are to ensure consistency of plans between the components, in particular links between emergency relief and longer-term reconstruction activities, as well as between interim civil administration and institution-building. A senior representative of the Kosovo Force (KFOR) works with the Joint Planning Group on military-civilian

issues, and representatives of other agencies are invited to participate when necessary (A/54/494, para. 10).

10. The Advisory Committee is of the view that both the Executive Committee and the Joint Planning Group have the potential to be an effective arrangement for the elimination of waste and duplication and the promotion of coordination through, for example, establishing joint and common services wherever applicable and feasible. It is not clear, however, how effective these two bodies currently are and how the coordination mechanism works. The Committee requests that these issues be clarified in the next report on the financing of UNMIK. Furthermore, the Committee points out that for the coordinating roles of the Executive Committee and the Joint Planning Group to be effective, their decisions and recommendations must be respected by all parties concerned.

11. The Advisory Committee notes from the report (A/54/494) that the work of UNMIK will be conducted in five integrated phases (see para. 11), while the reconstruction activities, led by the European Union, will occur in three overlapping phases (see para. 16). The report does not, however, provide clear and sufficient information on the roles of the various major participants in UNMIK, on their relationship with the United Nations and on the interaction among the four components of the Mission.

12. No information is provided on the resources and personnel available for the components of UNMIK implemented by the Office of the United Nations High Commissioner for Refugees (UNHCR) (pillar II), the Organization for Security and Cooperation in Europe (OSCE) (pillar III) and the European Union (pillar IV). The Advisory Committee also notes that there is no clear definition of the roles of the agencies participating in the Humanitarian Affairs component of UNMIK (pillar II). The Committee is of the opinion that the role of the agencies should be defined as a matter of priority, given the needs in the field and the unique nature of the operation.

13. At the same time the Advisory Committee is of the view that the Secretariat should conclude agreements with the specialized agencies of the United Nations to identify their respective responsibilities and to define their roles in the implementation of technical cooperation activities (see also para. 39 below).

14. Furthermore, the Advisory Committee points out that the state of preparedness, deployment in the mission area and capacity of all the four pillars would necessarily affect the progress of the implementation of the UNMIK mandate. The Committee trusts that all the parties concerned, and in particular those in charge of pillars III and IV, would strive to establish adequate capacity in Kosovo so as to facilitate speedy progress in the rehabilitation of the province.

15. The proposed budget for UNMIK provides for the establishment of a total of 9,774 civilian personnel, including 4,718 civilian police, 702 Professional staff, 207 Field Service staff, 318 General Service staff, 42 security staff, 3,566 local staff, 18 National Officers and 203 United Nations Volunteers for a total estimated requirement of $225 million. The Advisory Committee is of the view that considering past experience in starting up large missions, such as the United Nations Protection Force, and recent experience with the United Nations Mission in Bosnia and Herzegovina, it is unlikely that the full amount of the estimated requirements of $225 million would be obligated and disbursed by 30 June 2000, especially with regard to the civilian police.

16. Excluding the civilian police, the total number of civilian personnel is 5,056 (see A/54/494, para. 23, table). This, however, does not include a considerable number of personnel hired or to be obtained using general temporary assistance funds and consultants, for which a provision of $1,152,400 is requested. Broad functional allocation of personnel

positions is reflected in the report. The Advisory Committee was informed that of the total of 5,056 civilian personnel, 1,813 are language assistants, most of whom would be assigned to the police department (1,573) and to municipal administration (174).

17. The Advisory Committee was provided, upon enquiry, with the incumbency situation in the Mission as at 30 September 1999, which follows:

Category of personnel[a]	*Posts proposed*	*Posts encumbered*	*Incumbency rate (percentage)*
Military liaison officers	38	35	92.1
Civilian police	4 718	1 668	35.3
International staff	1 269	468	36.9
Local staff	3 566	1 581	44.3
United Nations Volunteers	203	42	20.7
National Officers	18	-	-
Total	**9 812**	**3 794**	**38.7**

[a] Gratis personnel are discussed in paragraph 39 and annex II below.

18. As can be seen from the table above, the average incumbency rate as at 30 September 1999 was 38.7 per cent for all categories of personnel; in other words, over 60 per cent of all posts remained vacant. The Advisory Committee was informed that actual deployment of international Professional and General Service staff and United Nations Volunteers was expected to reach the level of 750 personnel by 31 December 1999, 850 by 31 January 2000, 1,000 by 29 February and 1,472 by 31 March. The Committee notes that the cost estimates take into account vacancy rates of 35 per cent for international staff, 15 per cent for local staff and United Nations Volunteers and 5 per cent for National Officers (see A/54/494, annex I.C, para. 1).

19. Salaries for National Officers (see para. 40 below) and local staff reflect the scales currently applicable in the mission area (ibid., para. 8). The Advisory Committee was informed, upon enquiry, that the local employers surveyed and retained for the comprehensive salary survey for Kosovo were the United States Agency for International Development (USAID), Save the Children, Mercy Corps International, Doctors of the World and the Cooperative for Relief Everywhere (CARE). The Committee was also informed in the course of deliberations that local staff employed under pillars III and IV received much higher remuneration than that of the United Nations. For example, the USAID local salary scale applicable to Kosovo is 40 per cent higher than that of UNMIK. The Committee is of the view that there is a need to start cooperation within the international community with a view to limiting sudden cost inflation in conditions of service of personnel and in other operational requirements whenever the United Nations is installed in a place of operation. Steps should be taken to prevent any adverse effects of cost inflation on both the local community and the foreign entities. Information on the foregoing should be provided to the General Assembly in future budget submissions. Moreover, the Committee notes that the comparators are now predominantly non-governmental organizations. The Committee is of the view that as the situation in Kosovo normalizes, the list of comparators should also include local employers.

20. The proposed staffing and grade structure of UNMIK is, in the view of the Advisory Committee, significantly inflated. The total number of posts requested for UNMIK in the category of Professional staff and above is 702, including 16 D-2, 34 D-1 and 76 P-5 posts. After reviewing and taking into account information contained in the report and provided orally, the Committee concluded that in several instances attempts have been made to try to meet every eventuality with a separate post, instead of planning to use staff more efficiently. The report does not contain a satisfactory explanation of or justification for the proposed grade structure. The Committee was informed that although the Office of Human Resources Management was not involved in reviewing the grades, the Department of Peacekeeping Operations used job classification standards set by the Office. The Committee was unable to ascertain how those standards have been applied by the Department of Peacekeeping Operations. The Committee considers that the Office of Human Resources Management should be more closely involved in the review, taking into account the structure and nature of the operation, especially at the levels of P-5 and above. The Committee notes that detailed generic job descriptions for key positions for peacekeeping missions are reflected in the Standard Ratios and Standard Cost Manual. The generic job descriptions, however, are not accompanied by generic grades. The Committee requests that the Department of Peacekeeping Operations and the Office of Human Resources Management look into this matter again and, on the basis of the experience gained so far in peacekeeping operations, determine whether or not it is feasible and practical to establish such generic grades.

21. The Advisory Committee is of the view that its recommendations with regard to the proposed cost estimates for UNMIK, which are set out below, should not prevent the Secretary-General from proposing, on the basis of actual experience in the Mission, further adjustments in the staffing structure of and resource estimates for UNMIK in future budget submissions. The recommendations of the Committee for reductions should therefore be regarded in that context and be subject to refinement on the basis of experience. Moreover, the Committee requests that the recommended reductions be implemented in such a way as not to hamper the ability of UNMIK to implement its mandate, especially with regard to language assistants.

22. Although the Advisory Committee recognizes the prerogative of the Special Representative of the Secretary-General to organize his immediate office in such a manner as he deems appropriate, it questions the utility of having assistants to senior advisers whose role is to monitor the schedule of each of the senior officials and more generally to monitor their immediate office. Moreover, in the view of the Committee, there appears to be an excessive number of requests for personal assistants and secretaries. Accordingly, the Committee is not convinced at this time of the need for one D-1, one P-4, one P-3 and one Local level post.

23. Similarly, the Advisory Committee is of the view that the number of posts requested for liaison functions in UNMIK is overestimated. At this time the Committee therefore recommends the deletion of one D-1 and one P-3 liaison officer post.

24. With regard to the proposed requirements of one D-2, one P-5, one P-4, one General Service (Other level) and three Local level posts for the Office of Gender Affairs, the Advisory Committee is of the view that the proposal for the establishment of one D-2 post and one Local level post is not warranted, and therefore the Committee recommends the provision of one P-5, one P-4, one General Service (Other level) and two Local level posts for this Office. The Committee also requests that efforts be made to better coordinate gender-related activities implemented under all four pillars of UNMIK. Information to this effect should be included in the next budget submission for UNMIK.

25. The Advisory Committee does not find adequate justification for the establishment of a D-2 post in the Office of the Legal Adviser. The Committee points to the central role that the United Nations Legal Counsel has in all legal matters of the United Nations, including peacekeeping operations. The Committee recalls, in this connection, its comments in paragraph III.14 of its first report on the proposed programme budget for the biennium 1998-1999[1] regarding the need to ensure that any legal advice given by officers carrying out legal functions in the Secretariat other than in the Office of Legal Affairs — including those serving in peacekeeping operations — is consistent with the practice of the United Nations Legal Counsel. The related functions of the D-2 post in the Office of the Legal Adviser should be reconfigured and assigned, in the view of the Committee, to one of the two D-1 posts of the Office. Moreover, the Committee is not recommending the establishment of one General Service and one Local level post.

26. The functions of staff in the Professional category and above of the Office of Political Affairs are, in the opinion of the Advisory Committee, unnecessarily fragmented and, as a consequence, the proposed staffing requirements of one D-2, one D-1, one P-5, three P-4, two P-3, three General Service (Other level) and four Local level posts are inflated. The Committee is of the view that the D-2 and D-1 posts in the Office should be classified at the D-1 and P-5 levels respectively. Moreover, the Committee is not convinced at this time of the need for a P-4 post.

27. The Advisory Committee is of the view that close programme coordination, where applicable and cost-effective, should be pursued by the United Nations and OSCE.

28. The Advisory Committee acknowledges the important role that public information would play in the implementation of the mandate of UNMIK. The proposed staffing requirements of the Office of the Spokesman and Public Information are estimated at 71 posts, including 31 posts in the Professional category and above (1 D-2, 1 D-1, 1 P-5, 11 P-4, 13 P-3 and 4 P-2), 8 General Service posts and 32 Local level posts. The report does not contain, however, any indication of the level of public information programme activities that could form the basis for the proposal. The Committee notes from the report of the Secretary-General to the Security Council (see S/1999/987, para. 35) that a new public broadcasting service, known as Radio-Television Kosovo, was being developed by the institution-building component, namely, under pillar III, led by OSCE. Moreover, in the proposed budget for UNMIK (A/54/494, para. 51), the Secretary-General provided information on the Mission's own broadcasting facilities in addition to those of existing and new radio stations serving the province. The Secretariat clarified, upon request, that the UNMIK radio station would not continue beyond the end of the Security Council mandate in Kosovo, while Radio-Television Kosovo, which is being developed by OSCE, would continue beyond the end of the UNMIK mandate.

29. The Advisory Committee requests that a review be undertaken of the most effective means by which UNMIK could implement its public information programmes. Such a review should consider a number of options, including using facilities now under development by OSCE. UNMIK can be responsible for its own public information products, but their dissemination need not necessarily require the establishment by UNMIK of its own broadcasting facilities. This approach should lead to the provision of common services in this area, and a lower expenditure might be required. Pending the results of the review, the Committee at this time recommends the following staffing structure for the Office: 1 D-1, 1 P-5, 10 P-4, 11 P-3, 4 P-2, 7 General Service (Other level) and 30 Local level.

30. The staffing requirements and organizational structure of the Civil Administration component of UNMIK are described in the report on financing of the Mission (A/54/494, paras. 58-94, and annex III.B). The staffing requirements include 478 posts in the

Professional category and above, 179 General Service (Other level) posts, 6 National Officer posts and 2,075 Local level posts. The Advisory Committee notes that in addition to 29 municipalities, the Mission has five regional offices. The Committee was informed, upon enquiry, that historically Kosovo was divided into seven districts; upon its deployment in Kosovo, KFOR divided the territory into five sectors, which are also used by UNMIK for its operations at the regional level.

31. The Advisory Committee notes that an equal number of posts is proposed for each of the five regional offices, and each office will be headed at the D-2 level, with a D-1 deputy. Upon enquiry, the Committee was informed that the staffing proposals were based on average requirements. Thus some regions and municipalities might be assigned more resources than the average and others less. The Committee points out that the estimated number and grade structure of the posts are not based on what actually will be required since the eventual workload of each regional office and municipality is not known. Furthermore, the Committee has not received convincing justification for the grading structure of the regional offices. Accordingly, the Committee recommends that the D-2 posts for the five regional offices be graded at the D-1 level and their deputies at the P-5 level.

32. The Advisory Committee notes that within Civil Administration, the Department of Administrative and Support Services is to plan, organize and control the implementation of the Kosovo budget and provide essential support services for civil affairs and public administrative functions for Kosovo (see A/54/494, para. 68). There is no information, however, on the Kosovo budget and related tasks performed by the personnel funded from that budget. The Committee is therefore unable to comment on the relationship, if any, between the functions budgeted for under the UNMIK budget, those performed under the Kosovo budget and those under the aegis of OSCE and the European Union in the regions and municipalities.

33. The Advisory Committee also notes that whereas UNMIK is responsible for identifying the requirements of the spending departments, the central fiscal authority is under the European Union (see ibid., para. 74). The financing report provides, under the Department of Economic Affairs and Natural Resources Administration, for close collaboration with pillar IV (Reconstruction) (ibid., para. 80); however, it is not clear what impact in terms of staff and non-staff resources this collaboration would have. The same comment applies also with regard to "close collaboration with pillar IV" referred to elsewhere in the report (ibid., paras. 82-84). In view of the role that the European Union and OSCE play in the regions and municipalities and the absence of information on the tasks they perform and the magnitude and the scope of the special projects to be undertaken, the number of posts under Civil Administration remains to be fully justified. Taking into account what is stated in paragraph 31 above, the Committee recommends at this time the following staffing structure for Civil Administration: 1 Assistant Secretary-General, 4 D-2, 19 D-1, 51 P-5, 200 P-4, 160 P-3, 160 General Service (Other level) and 1,900 Local level.

34. The proposed staffing requirements of Humanitarian Affairs include 1 Assistant Secretary-General, 1 D-2, 2 P-5, 9 P-4, 2 P-3, 3 P-2, 3 Field Service, 2 General Service (Other level) and 20 Local level posts (ibid., paras. 95-100). The Advisory Committee is of the view that some functions in Humanitarian Affairs are overly fragmented and should be further reviewed and streamlined. In the meantime, the Committee recommends the deletion of one P-4 and two Local level posts.

35. The Advisory Committee received, upon request, additional information on the roles of the Department of Peacekeeping Operations and UNHCR in demining activities in UNMIK, which is reproduced in annex I to the present report.

36. The Advisory Committee notes that the functions of the Adviser on Minorities would be assigned to a P-4 staff member who would formulate, coordinate and implement a comprehensive strategy to address the protection and assistance concerns of minorities in Kosovo, in coordination with other relevant actors such as OSCE, the United Nations civilian police and KFOR (see ibid., para. 98). The Committee notes also that there is no office for the protection of minorities. This situation requires, in the opinion of the Committee, an immediate review, taking into account the mandate set out in Security Council resolution 1244 (1999). Furthermore, the Committee is of the view that a P-4 post for this function is inadequate and requests that the level of the post be reviewed urgently. Consideration should also be given to assigning additional posts to discharge this function. The representatives of the Secretary-General have acknowledged the need for such actions.

37. The proposed structure of the Division of Administration provides for 104 posts in the Professional category and above (1 D-2, 2 D-1, 10 P-5, 26 P-4, 42 P-3 and 23 P-2), 204 Field Service posts, 7 General Service (Principal level) posts, 94 General Service (Other level) posts, 42 Security Service posts, 1,398 Local level posts, 12 National Officers and 203 United Nations Volunteers. The Advisory Committee is of the view that the structure of the Division replicates by and large that of Headquarters or simply follows, with little change, the generic organizational structure contained in the Standard Ratios and Standard Cost Manual. The Committee concludes that fewer staff and non-staff resources could be required for the Division if a number of actions were taken, such as making better use of data-processing equipment and organizing units more efficiently by merging them, where appropriate, paying due regard to the necessity of maintaining separation of functions in accordance with principles and rules of internal control. The Committee requests that the structure of the Division be reviewed, and, in the meantime, it recommends for it the following posts: 1 D-2, 2 D-1, 9 P-5, 23 P-4, 38 P-3, 21 P-2, 180 Field Service, 6 General Service (Principal level), 85 General Service (Other level), 42 Security Service, 1,296 Local level, 12 National Officers and 203 United Nations Volunteers.

38. With respect to the United Nations Volunteers, the Advisory Committee is of the view that opportunities for their use in peacekeeping operations should be explored more intensively. The Committee was informed that the total average monthly cost of a United Nations Volunteer in UNMIK is $3,375, excluding the hazard duty allowance of $400. The volunteer service could be a potential source of immediate assistance if the mix of expertise could be expanded to include the sorts of staff required as gratis personnel, in accordance with the procedures established by the General Assembly. The Committee recommends, accordingly, that a study be made of the potential for wider use of United Nations Volunteers to meet the requirements of field missions. The study should be made available to the Assembly by the main part of its fifty-fifth session.

39. The Advisory Committee was informed, upon enquiry, that 17 gratis personnel had been accepted for UNMIK. The Committee received, upon request, additional information from the Secretariat, which is contained in annex II below. The Committee reiterates, in this connection, its request contained in its report on review of the efficiency of the administrative and financial functioning of the United Nations that all future proposals by the Secretary-General on gratis personnel and the subsequent implementation of legislative mandates be in full compliance with relevant General Assembly resolutions and fully respect the relevant policies, procedures and regulations of the Organization (A/54/470, para. 4).

40. With regard to 18 National Officers, the Advisory Committee notes from the report that 12 such officers will work as language staff in the Division of Administration and the remaining 6 will work in Civil Administration. Additional information on functions to be performed by the National Officers, which was provided to the Committee upon request,

is contained in annex III below. On the basis of the information contained in annex III, the Committee does not object, at this time, to the 12 National Officers for language services; however, it does not see the rationale for the other 6. The Committee recommends that these not be approved at this time pending a study, involving, among others, the Office of Human Resources Management, of all policy and financial implications of introducing this category of personnel in UNMIK. Bearing in mind that National Officers have been used in the United Nations Mission in Bosnia and Herzegovina (see A/53/895/Add.6, para. 25), the Committee further recommends that the study also include the wider implications for all future peacekeeping operations.

41. The proposed budget for UNMIK provides for the deployment of 4,718 civilian police. During its review of the estimates, the Advisory Committee was informed of delays in the deployment of civilian police. For example, the budget estimates were based on the deployment of 2,450 police in October 1999. The actual deployment, however, was of 1,747 civilian police in that month.

42. The Advisory Committee notes that it may be necessary to deploy some police as formed units (see A/54/494, para. 21). In the course of its deliberations, the Committee was informed that only one such unit had been identified to be deployed some time in 2000. The extent of the number and timing of the deployment of formed police units was not expected to be known until towards the end of the first quarter of 2000. In this connection, the Committee urges the Secretary-General to expedite the current negotiations on formed police units so that they can be deployed as soon as possible. The deployment of formed units would affect the breakdown of expenditures by line item, but the total estimates for police are not expected to change. The Committee notes, however, that in a number of areas, such as vehicles, provision has been made for formed units. Delayed deployment may lead to fewer operational resources being used during the current financial period ending 30 June 2000.

43. Considering the past experience of deploying police at the start-up phases of peacekeeping operations, the Advisory Committee is of the view that the cost estimates for civilian police in UNMIK could be reduced by 8 per cent, or $8 million.

44. The Advisory Committee was informed that the concern expressed regarding the need for more police has been addressed in the number now authorized. In his report to the Security Council, the Secretary-General indicated that the number of civilian police would be gradually reduced as the force progressively fulfilled its parallel mandate of developing capable local police forces (S/1999/987/Add.1, para. 2). The Committee notes that this would be done through training, for which 200 trainees have already been deployed. Information was requested on the target number of local police to be trained and the timing of their deployment. The Committee was informed that it was not expected that a reduction of civilian police would commence in 2000.

45. An estimated provision of $1.1 million is requested for general temporary assistance and consultants. The Advisory Committee points out that the explanation of the requirements is too general and can hardly be regarded as a justification (see A/54/494, annex I.C, paras. 9 and 10). For example, international consultants and experts will be required to assist in carrying out assessments and other projects. No indication is given as to the number of consultants and projects, areas where the projects are needed or the duration of contracts. Moreover, even where costs are indicated, no information is provided on the basis on which the estimates were arrived at or whether indeed these expenses should be borne by the United Nations (see para. 32 above). For example, the budget indicates that UNMIK will require the services of two contract engineers for a period of six months at an estimated cost of $102,800 to assist in the assessment of buildings and to prepare specifications for work and

repairs, and it is not known whether the contractors will be internationally recruited, how the duration of their services was determined, and so on. A provision of $700,000 is requested to meet the cost of engaging local volunteers and youth corps to assist on a temporary basis with the interim administration without any indication as to the number of individuals to be engaged, the duration of their contracts or the type of work that they will be performing. Pending the formulation of a request providing more proof of need, the Committee recommends that estimates for general temporary assistance be reduced by $220,000.

46. The estimated requirements for travel total $1.1 million (ibid., paras. 11-16 and annex II.A). In the view of the Advisory Committee the travel programme is excessive and should be reviewed. The Committee recommends an amount of $1.0 million, a reduction of $146,600.

47. Operational costs of the Mission totalling $171.1 million include provisions for premises/accommodation ($8.1 million), transport operations ($69.1 million), air operations ($10.4 million), communications ($41.7 million), other equipment ($31.5 million), supplies and services ($10.0 million) and air and surface freight ($0.3 million). Approximately 75 per cent of the estimated costs represent non-recurrent requirements.

48. The cost estimates of $69.1 million for transport operations provide for a fleet of 2,977 vehicles; in respect of 841 vehicles, purchase orders were issued by 31 August 1999 or vehicles were transferred from surplus stock. The remaining 2,136 vehicles will be purchased at an estimated cost of $59.8 million, including freight. The Advisory Committee was informed that bulk purchase of vehicles has led to a considerable reduction in purchase cost; the use of the United Nations Logistics Base at Brindisi, Italy, for refurbishment and trans-shipment and for start-up services has also contributed to savings. In view of delays in the deployment of UNMIK personnel and taking into account reductions in staff recommended above, the Committee is of the opinion that the estimates for transport operations should be reduced by $5.0 million.

49. The Advisory Committee notes that provision of $10.4 million is made in the cost estimates for the continued operation of two helicopters and one heavy-lift cargo aircraft (see ibid., annex I.C, paras. 29 and 30). The Committee requests that the next budget submission for UNMIK justify requirements for air support in terms of operational necessity and also provide the rationale for the inclusion of various elements in aircraft rental contracts, such as block hours, extra hours and so on.

50. With regard to the estimated provision of $31.5 million requested under other equipment, the Advisory Committee notes that with the exception of generators, which will be obtained from surplus stock at the United Nations Logistics Base at Brindisi, all other equipment, including replacement of start-up kit items, will be purchased (see ibid., para. 39). In view of delays in the deployment of UNMIK personnel and taking into account reductions in staff recommended above, the Committee is of the opinion that the estimates under other equipment should be reduced by $2.5 million. The Committee requested information on equipment transferred from the United Nations Logistics Base at Brindisi and/or other missions but has not received it; this information should be provided to the Fifth Committee.

51. With regard to the delegated authority for procurement, the Advisory Committee was informed that the $200,000 limit for peacekeeping operations has been applied to this Mission; items that cost less than $50,000 are not referred to the Local Committee on contracts. In this regard the Committee requests that vigorous steps be taken to procure as much as possible from the region. With regard to the fact that there are two procurement

units in UNMIK, the Committee was provided, upon request, with clarification, which is contained in annex IV below.

52. The Advisory Committee was informed during its deliberations that UNMIK provides services to other entities on a reimbursable basis. The Committee was provided with additional information in this respect, which is contained in annex V below. The Committee requests that information on reimbursements be included in future budget submissions for UNMIK.

53. A provision of $75,600 is made for audit services in connection with a planning audit by the Board of Auditors in October 1999 and an interim audit in March 2000 (ibid., para. 40). A budgetary provision is also made for the Office of the Resident Auditor, the staff of which would include one P-4, one P-3, one General Service (Other level) and one Local level post. The Advisory Committee was informed that the role of UNMIK in implementing the Kosovo budget would be audited by the United Nations Board of Auditors. Moreover, the Secretariat clarified, upon enquiry, that as the Kosovo budget process and rules are outside the scope of the UNMIK budget per se, it is not the intention to request the United Nations Board of Auditors to be the independent audit entity but rather to request one or more Governments to provide the necessary resources for this purpose. The Committee trusts that UNMIK will not be subject to separate independent national audits, which might lead to conflicting recommendations. In this connection, the Committee draws attention to its views, comments and recommendations contained in paragraphs 98 to 106 of its first report on the proposed programme budget for the biennium 1998-1999.[1] The Committee is also of the view that the number of resident auditors is inadequate and requests a review of this matter.

54. The Advisory Committee notes that there is no budgetary provision for the support account, which is in accordance with the current budgeting and financing procedure. The Committee was informed that vacant support account posts have been used to address the need for additional support account requirements at Headquarters related to newly established peacekeeping operations.

55. In view of the above recommendations and observations, the Advisory Committee recommends that the General Assembly appropriate the amount of $427,061,800 gross for the establishment and maintenance of UNMIK for the period from 10 June 1999 to 30 June 2000, inclusive of the amount of $200 million authorized by the General Assembly in its resolution 53/241. Annex VI.A contains a breakdown by budget line of the total recommended reduction of $28,803,900, annex VI.B contains a breakdown of the Committee's staffing recommendations, and annex VI.C contains the UNMIK organizational structure, which reflects the staffing changes recommended by the Committee.

56. As stated above, the size, scope and mandate of UNMIK are unique in the United Nations. The Advisory Committee recognizes the difficulties inherent in preparing the initial budget for such a mission without the benefit of precedent or operational experience. It is for that reason that the Committee has indicated a number of times above that its recommendations for reductions in posts and other resources can be revisited in future budget submissions on the basis of experience. The Committee understands that preparations for the UNMIK budget for the period from 1 July 2000 to 30 June 2001 will be under way almost as soon as the current submission is approved by the General Assembly in order for it to be available for the Committee's winter session. Under the circumstances, the preparation of that budget will also suffer from a lack of operational experience. In this connection, the Committee draws attention to what is stated in paragraph 21 above and to the provisions of General Assembly resolution 49/233 A of 23 December 1994.

Notes

[1] *Official Records of the General Assembly, Fifty-second Session, Supplement No. 7* (A/52/7/Rev.1).

Annex I

Mine Action Centre

Existing structure of mine action within the United Nations

As part of the Secretary-General's reforms of 1997 to make the United Nations a more effective organization, it was deemed necessary to establish a single focal point within the United Nations to coordinate, facilitate and monitor all issues and activities related to the United Nations efforts to eliminate the scourge of landmines. The United Nations Mine Action Service was created in October of 1997 as part of the Department of Peacekeeping Operations.

Furthermore, the policy framework on mine action was presented by the Secretary-General to the General Assembly and adopted in resolution 53/26 of 17 November 1998. The policy framework lays out the different roles and responsibilities of the United Nations system with the United Nations Mine Action Service as the lead coordinating body within the Organization.

The United Nations Mine Action Service is mandated to take a proactive approach to ensure that the activities that are undertaken by various organizations of the United Nations system are mutually supportive, well-coordinated and non-duplicative. The policy framework also sets forth the various roles and responsibilities of the agencies, programmes and funds in connection with mine action and include the United Nations Development Programme for mine action and socio-economic development, the United Nations Children's Fund for mine awareness, the World Health Organization for mine victim assistance, the Department for Disarmament Affairs for support to the Ottawa Treaty process, the Office of the United Nations High Commissioner for Refugees for mine action and the return of refugees and the World Food Programme and the Food and Agriculture Organization of the United Nations for mine action and food security.

The United Nations Mine Action Service as mine action focal point for the United Nations system is also responsible for programme initiation in connection with both peacekeeping missions and humanitarian emergencies. This is the case in Kosovo, Federal Republic of Yugoslavia.

Emergency mine action programme as part of the United Nations Interim Administration Mission in Kosovo

The United Nations Interim Administration Mission in Kosovo (UNMIK) Mine Action Coordination Centre was established immediately following the cessation of fighting and shortly after the inter-agency assessment mission to Kosovo led by the Special Representative of the Secretary-General ad interim, Sergio Vieira de Mello.

The Mine Action Coordination Centre's responsibilities include serving as focal point for coordinating all field-level operations in which mine-related activities are concerned, collecting mine and unexploded ordnance data for clearance activities and dangerous area reduction, managing the emergency mine clearance plan, coordinating mine awareness activities, providing quality assurance and certifying all non-governmental organization and private-for-hire demining organizations.

Four pillars of assistance to the province of Kosovo were established, including Civil Administration, Humanitarian Assistance, Rehabilitation and Reconstruction and Institution-

building. The Mine Action Coordination Centre is officially a component of the Humanitarian Assistance pillar of UNMIK in that it was deemed necessary, during the initial operations of the Mission, to ensure that the humanitarian aspect was addressed on an urgent basis. The first priority for the Mine Action Coordination Centre was to clear mines to permit human habitation and resettlement so that refugees could return to their homes and shelters before the start of the usually severe Balkan winter.

The UNMIK Mine Action Coordination Centre, in fact, supports all four pillars of assistance and is called upon to provide a mine action response in Kosovo where and when the need arises. All aspects of the peacekeeping mission, including the establishment of communications, engineering support, logistics, civilian police, border monitoring and so on, are all being affected by the scope and extent of Kosovo's mine and unexploded ordnance contamination problem. The Mine Action Coordination Centre is called upon to check, verify or clear mines and unexploded ordnance from the special police unit camps, the municipal police and civil administration sites, the border police posts, the civilian police substations and communications and engineering posts.

Assessed budget and voluntary contributions to support the operations of the Mine Action Coordination Centre

The creation of the mine action component as part of UNMIK can be found in Security Council resolution 1244 (1999), in which the Council charges the Secretary-General with the establishment of civil administration and includes supervision of demining as one of its principal responsibilities.

The budget proposal before the General Assembly presents mine action in Kosovo within two distinct categories: (a) mine clearance and other mine action activities to support the core functions of the United Nations Secretariat as it carries out the peacekeeping mission under the mandate of the Security Council; and (b) mine action activities to support the humanitarian response of the United Nations and its partners to ensure that refugees and displaced persons can return home safely and that relief aid can proceed unhindered.

The overall budget for all mine action activities supported by the United Nations in Kosovo is now established at $11 million for a 12-month period commencing with the start of operations in Kosovo. Of this amount, the major portion, equal to $7.2 million, will be raised through voluntary contributions that are either directed through the Voluntary Trust Fund for Assistance in Mine Action or are provided on a bilateral basis to non-governmental organizations in the field. To date, $1.9 million has been raised through the Voluntary Trust Fund for activities in Kosovo, and an additional $4 million has been pledged by the donor community. These funds are to be used to support the humanitarian mine action response.

The assessed budget of the peacekeeping mission will support the core operational functions of the Mine Action Coordination Centre and clearance activities specifically in support of the peacekeeping mission itself. Included in the budget are international and local personnel as well as $900,000 for mine-clearance activities in connection with sites constituting a risk to United Nations personnel. As many as 60 sites will need to be investigated, and of these some 15 are expected to require mine clearance, at an approximate cost of $60,000 per site. Contracts for demining would be awarded on the basis of competitive bidding and would be tendered and awarded in accordance with United Nations financial and procurement rules and regulations.

Humanitarian demining operations, which permit the safe return of refugees and internally displaced persons to their homes throughout the territory of Kosovo, will be

funded through voluntary contributions. It should be noted that the current proposal to include mine action in the assessed budget of the peacekeeping mission is specific to the situation in Kosovo, and the adoption of this principle will not affect or change the way in which existing mine action programmes supported by the United Nations are funded, generally through voluntary contributions to established trust funds.

International and local staff within the Mine Action Coordination Centre

Both international and local staff are responsible for the core functions of the UNMIK Mine Action Coordination Centre and work within the information and data collection, technology, operations and quality assurance cells of the Centre. Currently, local staff do not possess the technical skills or knowledge to carry out the functions of the Centre independently. International personnel bring both technical expertise and experience and work alongside local counterpart staff in order to provide training and capacity-building within the various functional areas of responsibility.

Local staff make up the majority of the Mine Action Coordination Centre's personnel, and in addition to receiving training, they of course, because of their language capabilities, carry out the principal line functions, which include data collection on landmines and unexploded ordnance and information-gathering in the field as well as mine awareness with local population groups, including local staff within the civil administration. This is essential for the overall effectiveness and sustainability of the mine action effort.

As with other mine action programmes using this model, the number of international staff will be reduced as the ability of local staff to assume coordination functions increases, thereby bringing down the overall costs of the programme. When the peacekeeping mission is over and responsibility for a number of functions is handed over to local authorities, the Mine Action Coordination Centre can continue to coordinate the clearance of mines and unexploded ordnance, the disposal of explosive ordnance and verification and related activities through appropriately trained local personnel.

Annex II

Gratis personnel in the United Nations Interim Administration Mission in Kosovo

1. In conformity with the provisions of General Assembly resolutions 51/243 of 15 September 1997 and 52/234 of 26 June 1998, the Department of Peacekeeping Operations addressed a note verbale dated 29 June 1999 to all United Nations Member States requesting them to provide to the United Nations Interim Administration Mission in Kosovo (UNMIK), as soon as possible, names of potential candidates who could provide expertise in the areas of the UNMIK Civil Administration as either gratis personnel or for secondment or appointment to the Mission.

2. Responses proposing candidates were received from the following 45 countries: Austria, Belarus, Belgium, Benin, Bolivia, Canada, Côte d'Ivoire, Cuba, Czech Republic, Egypt, Ethiopia, Finland, France, Georgia, Germany, Greece, Guinea, Guinea-Bissau, Hungary, India, Italy, Japan, Kyrgyzstan, Lithuania, Madagascar, Mali, Niger, Nigeria, Pakistan, Philippines, Portugal, Republic of Korea, Romania, Russian Federation, Slovenia, Spain, Sudan, Sweden, Switzerland, Thailand, Tunisia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

3. With regard to the request for candidates for assignment as gratis personnel, responses were received from four countries: Cuba, Germany, Switzerland and Turkey. A total of 17 candidates were accepted for assignment to UNMIK, and the following table describes the functional areas where they were assigned.

4. If there are compelling and exceptional circumstances or circumstances that require the attention of gratis personnel beyond six months, the authorization of the General Assembly will be sought in accordance with paragraph 18 of its resolution 52/234. However, it is not anticipated that the Secretariat will need to request the Assembly to authorize the extension of the assignments of these gratis personnel beyond six months.

Nationality	*Office*	*Function*	*Arrival*
Cuba	Civil Administration	Advises on public health	20 October 1999
Cuba	Civil Administration	Advises on public health	19 October 1999
Cuba	Civil Administration	Advises on public health	20 October 1999
Cuba	Civil Administration	Advises on public health	19 October 1999
Cuba	Civil Administration	Advises on public health	19 October 1999
Cuba	Civil Administration	Advises on public health	20 October 1999
Cuba	Civil Administration	Advises on public health	19 October 1999
Cuba	Civil Administration	Advises on public health	19 October 1999
Cuba	Civil Administration	Advises on public health	20 October 1999
Germany	Civil Administration	Advises on public administration	7 September 1999
Switzerland	Civil Administration	Advises on public health	13 September 1999
Switzerland	Civil Administration	Advises on civil administration	13 September 1999
Switzerland	Civil Administration	Advises on civil administration	20 September 1999
Switzerland	Civil Administration	Advises on civil administration	13 September 1999
Switzerland	Civil Administration	Advises on public health	8 October 1999

Nationality	*Office*	*Function*	*Arrival*
Switzerland	Civil Administration	Advises on financial and budgetary matters	14 October 1999
Turkey	Civil Administration	Advises on financial and budgetary matters	1 August 1999

Notification to the General Assembly on gratis personnel

In his letter dated 9 June 1999 to the President of the General Assembly (A/53/1000), the Secretary-General stated that he had received a request from the Prosecutor of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 in which she sought approval for seeking and accepting a number of gratis personnel from Member States. Based on the large number of forensic specialists involved (up to 300 personnel) and the need to act immediately, the Prosecutor had concluded that the only way to allow immediate investigations was through the use of gratis personnel. The Secretary-General also stated that the approach suggested by the Prosecutor fell within the criteria and requirements for the acceptance of gratis personnel established by the Assembly in its resolution 51/243 of 15 September 1997 and that he would proceed to issue invitations to all Member States to offer gratis personnel and to accept experts for the specialized functions as identified by the Prosecutor for a period of six months.

The action taken by the Secretary-General to inform the General Assembly before sending out letters to all Member States was not mandated by resolution 51/243 and should not be construed as precedent-setting. The letter was sent for several reasons: (a) the Secretary-General was responding to a request from the Prosecutor, unlike in the case of UNMIK, in which he decided on the use of gratis personnel; (b) the large number of gratis personnel involved; and (c) the fact that type II gratis personnel had been phased out at the end of February.

In the case of UNMIK, the procedures set out in resolution 51/243 were followed: (a) letters were sent to all Member States; (b) the expertise required covered a wide range of specialized functions that were not available within the Organization; (c) the appointments were of a limited duration, not longer than six months; and (d) those cases will be reported to the General Assembly in the report issued by the Office of Human Resources Management in accordance with paragraph 12 of resolution 51/243.

Annex III

Functions and responsibilities of National Officers

A. National Officers (language unit), translators and local language assistants

(a) National Officers. Twelve National Officers will be selected through an interview/examination process similar to that in place for United Nations language staff (interpreters/translators). They will provide simultaneous interpretation from Albanian to English and English to Albanian as well as from Serbian to English and from English to Serbian. It is envisaged to have two interpretation booths freelancing along the same lines (two ways) as the existing Chinese and Arabic booths in the United Nations. In addition, these interpreters will freelance as official translators/revisers for all UNMIK texts.

(b) Translators: Legal Office (G-6/G-7). These translators will provide draft translations of all legal texts which will be used by the National Officers mentioned above.

(c) Language assistants (G-4/G-5). They will provide informal conversational interpretation or translation at the day-to-day working level in all offices/departments/sections of UNMIK as well as to the civilian police force.

B. National Officers (non-language) — Civil Administration

(a) Policy advisers in the Office of the Deputy Special Representative of the Secretary-General (2). Will monitor and analyse trends and developments in Kosovo for the Deputy Special Representative of the Secretary-General; assist him in his contacts with local representatives and other actors relevant to the fulfilment of his duties; at the request of and under the direction of the Deputy Special Representative of the Secretary-General, assess requirements in specific areas of concern and interface with concerned local structures and actors; and advise and assist the Deputy Special Representative of the Secretary-General on the selection of individuals that UNMIK may appoint to assume executive functions as counterpart and under its authority in pre-determined areas of the public administration. These functions will initially be headed by co-directorates with and under the authority of the designated UNMIK official;

(b) Policy adviser in the Secretariat of Education (Culture) (1). Will assist the head of the Secretariat in identifying the main issues in the field of culture that Civil Administration should address, including educational aspects at every level; monitor and analyse trends and developments; support the head of the Secretariat in the selection of individuals that may assume executive functions as counterparts of UNMIK in the educational and cultural sectors and under its authority; make proposals for policies and activities to be undertaken and, under the direction of the head of the Secretariat, interact with local representatives to set up and organize events that will engage concerned Kosovar personalities and representatives, irrespective of ethnicity, in the promotion of cultural activities;

(c) Policy adviser in the Secretariat of Health (1). Will assist the head of the Secretariat in identifying the main issues to be addressed in the field of health services, including hospitals and primary health care; monitor and analyse trends and developments; support the Head of the Secretariat in the selection of individuals representative of the health sector that may assume executive functions as counterparts of UNMIK for the sector and

under its authority; provide advice on policies and strategic options and interact with local representatives;

(d) Policy adviser in the Secretariat of Social Welfare and Labour (1). Will assist the head of the Secretariat in identifying the main issues to be addressed in the field of social welfare and labour; monitor and analyse trends and developments; support the head of the Secretariat in the selection of individuals that may assume executive functions as counterparts of UNMIK for the sector and under its authority; identify the main organizations involved; provide advice on policies and strategic options; and interact with local representatives;

(e) Policy adviser in the Department of Economic Affairs and Natural Resources (1). Will assist and advise the Director of the Department on the main issues to be addressed in the transition period, particularly with regard to the establishment of an environmental protection framework; monitor and analyse trends and developments; support the Director in the selection of individuals representative of each sector within the sphere of competence of the Department that may assume executive functions as counterparts of UNMIK and under its authority; provide advice on policies and strategic options and interact with local representatives.

Annex IV

Procurement operations

1. There are two separate procurement operations in the United Nations Interim Administration Mission in Kosovo (UNMIK), one along traditional lines operates for all UNMIK procurement under United Nations procurement rules with a committee on contracts dealing at the local level with all procurement up to $200,000 per contract. For all contracts above that limit, the local committee reviews the process and makes recommendations to the Headquarters Committee on Contracts in accordance with usual practice.

2. The second procurement operation is shown as a section under the Department of Administrative and Support Services in Civil Administration. It deals with procurement related to the Kosovo budget. It operates under a set of rules derived from the United Nations, the World Bank and the United Nations Commission on International Trade Law procurement rules, which are in the process of being finalized. The bids are analysed by the substantive department/section within Civil Administration, which initiated the procurement process. They are then reviewed by the Procurement Section. Depending on the procurement amounts involved, the matter is then decided by the Chief of the Procurement Section or referred with a recommendation to a Procurement Board (five members), designated by the Special Representative of the Secretary-General. The Board (acting somewhat like a Committee on Contracts in the United Nations) then presents its recommendations to either the Deputy Special Representative of the Secretary-General, Civil Administration, or the Deputy Special Representative of the Secretary-General, European Union, as the case may be. Both have been delegated the authority to approve procurement contracts for the Kosovo budget.

3. The number of posts in each section/unit has been determined on the basis of the expected volume of transactions expected to be handled by the respective section/unit. For Civil Administration, the complement of staff indicated (6 Professional, 3 international General Service and 5 Local level) will be handling all centralized procurement. Some local procurement up to a monetary limit of DM 20,000 per contract will be handled at the municipality level applying the rules mentioned above.

Annex V

Reimbursement of services

The share of reimbursement of services provided by the United Nations Interim Administration Mission in Kosovo (UNMIK) to other entities (organizations of the United Nations system), the European Union and the Organization for Security and Cooperation in Europe (OSCE) has been discussed during the last two inter-agency coordination meetings. An administrative coordination committee has been established and meets weekly. As a result, a letter is being sent to all entities to notify them of the type of services UNMIK will be able to provide, albeit not on a regular basis, but rather as staffing and timing permit. It is planned to provide such services on a reimbursable basis, and UNMIK is in the process of finalizing reimbursement rates for services, which will be communicated to the entities concerned. For transactions and/or purchases effected on behalf of these entities, UNMIK will be charging the customary 13 per cent overhead. It is also intended to introduce cost-sharing arrangements for utilities and the like when sharing of offices occurs. In short, the Mission is trying to ensure that the UNMIK budget is subsidizing neither non-UNMIK entities nor those UNMIK entities that are deemed self-supporting (OSCE, European Union and Humanitarian Affairs for the part not included in the UNMIK budget).

Annex VI

Recommendations of the Advisory Committee on Administrative and Budgetary Questions

A. Proposed reductions in the United Nations Interim Administration Mission in Kosovo budget

(Thousands of United States dollars)

Description	*Amount of reduction*
Civilian police	(8 000.0)
International salaries	(4 007.3)
National Officer salaries	(103.6)
Local staff salaries	(1 758.2)
General temporary assistance	(220.0)
Common staff costs	(3 213.3)
Mission subsistence allowance	(1 946.9)[a]
Other travel	(146.6)
Transport operations	(5 000.0)
Other equipment	(2 500.0)
Office supplies	(93.6)[a]
Sanitation materials	(20.2)[a]
Quartermaster	(68.5)[a]
Staff assessment	(1 725.7)
Total	**(28 803.9)**

[a] Consequential reductions resulting from the recommended changes in staffing.

B. Recommendations on the staffing structure of the United Nations Interim Administration Mission in Kosovo

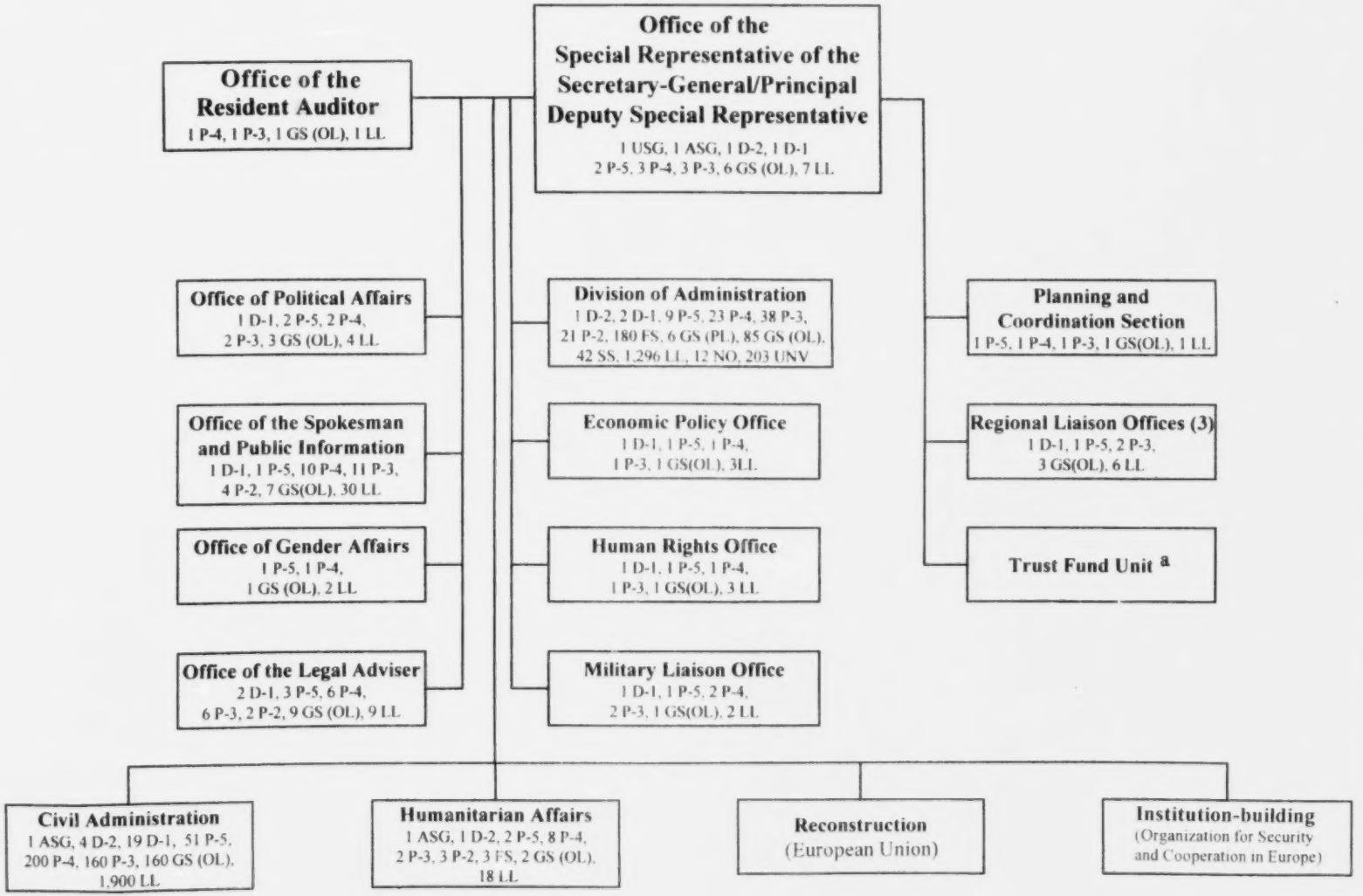
Post reductions:

3 D-2
4 D-1
6 P-5
24 P-4
27 P-3
2 P-2
1 General Service (Professional level)
30 General Service (Other level)
24 Field Service
284 Local level
6 National Officer

Total: 411

Reclassifications: 6 D-2 to D-1; 6 D-1 to P-5.

C. United Nations Interim Administration Mission in Kosovo organization chart (as revised by the Advisory Committee on Administrative and Budgetary Questions)


Office of the Special Representative of the Secretary-General/Principal Deputy Special Representative
1 USG, 1 ASG, 1 D-2, 1 D-1
2 P-5, 3 P-4, 3 P-3, 6 GS (OL), 7 LL
Office of the Resident Auditor
1 P-4, 1 P-3, 1 GS (OL), 1 LL
Office of Political Affairs
1 D-1, 2 P-5, 2 P-4,
2 P-3, 3 GS (OL), 4 LL
Office of the Spokesman and Public Information
1 D-1, 1 P-5, 10 P-4, 11 P-3,
4 P-2, 7 GS(OL), 30 LL
Office of Gender Affairs
1 P-5, 1 P-4,
1 GS (OL), 2 LL
Office of the Legal Adviser
2 D-1, 3 P-5, 6 P-4,
6 P-3, 2 P-2, 9 GS (OL), 9 LL
Division of Administration
1 D-2, 2 D-1, 9 P-5, 23 P-4, 38 P-3,
21 P-2, 180 FS, 6 GS (PL), 85 GS (OL),
42 SS, 1,296 LL, 12 NO, 203 UNV
Economic Policy Office
1 D-1, 1 P-5, 1 P-4,
1 P-3, 1 GS(OL), 3LL
Human Rights Office
1 D-1, 1 P-5, 1 P-4,
1 P-3, 1 GS(OL), 3 LL
Military Liaison Office
1 D-1, 1 P-5, 2 P-4,
2 P-3, 1 GS(OL), 2 LL
Planning and Coordination Section
1 P-5, 1 P-4, 1 P-3, 1 GS(OL), 1 LL
Regional Liaison Offices (3)
1 D-1, 1 P-5, 2 P-3,
3 GS(OL), 6 LL
Trust Fund Unit [a]
Civil Administration
1 ASG, 4 D-2, 19 D-1, 51 P-5,
200 P-4, 160 P-3, 160 GS (OL),
1,900 LL
Humanitarian Affairs
1 ASG, 1 D-2, 2 P-5, 8 P-4,
2 P-3, 3 P-2, 3 FS, 2 GS (OL),
18 LL
Reconstruction
(European Union)
Institution-building
(Organization for Security and Cooperation in Europe)

[a] Four posts (1 P-5, 1 P-4, 1 General Service and 1 Local level) will be funded from the trust fund programme support costs.

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Agenda item 121
Proposed programme budget for the biennium 2000-2001

Revised estimates: effect of changes in rates of exchange and inflation

Report of the Secretary-General

Summary

In accordance with established practice, the proposed programme budget is recosted prior to its adoption by the General Assembly, following its preliminary recosting, as reflected in the budget proposals of the Secretary-General (A/54/6/Rev.1).

The present report provides the latest data on actual inflation experience, the outcome of salary surveys and the movement of post adjustment indices in 1999, and the effect of the evolution of operational rates of exchange in 1999 on the proposed programme budget for the biennium 2000-2001.

The recosted level of the resources proposed under the expenditure sections would amount to $2,584.6 million. Similarly, the recosting estimates of income for 2000-2001 would amount to $365.7 million.

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1. In order to provide a comparable basis to analyse increases and decreases in a programme from one biennium to another, the proposed programme budget is presented at the same price levels and at the same rates of exchange as the current programme budget. At the same time, the proposed programme budget contains provisions for anticipated increases owing to inflation, and adjustments owing to changes in the rates of exchange. These are isolated and presented separately in the column entitled "recosting" in the proposed programme budget. After preparing the proposed programme budget, the programme budget is "recosted" three times in the biennial cycle as follows:

(a) The first recosting (as per the present report) is contained in the revised estimates submitted by the Secretary-General for consideration by the General Assembly, in order to update the resource requirements in the proposed programme budget before an initial appropriation is approved;

(b) The second is contained in the revised estimates submitted by the Secretary-General in the first performance report (end of the first year of the biennium), in connection with approval of a revised appropriation;

(c) The third is included in the second performance report (end of the second year of the biennium), in connection with approval of the final appropriation.

2. As foreseen in the introduction to the proposed programme budget for the biennium 2000-2001 (A/54/6/Rev.1, vol. I, para. 8), a recosting of the proposed programme budget is provided to take into account changes in operational rates of exchange, actual inflation experience, the outcome of salary surveys, if any, and the movement of post adjustment indices. The recosting in this case is based on data available up to November 1999.

3. The table below provides a summary of the results of the recosting based on the parameters described in the following paragraphs. It may be subject to further revision, as necessary, as a result of specific decisions of the Fifth Committee on programme budget implications and revised estimates.

Initial proposed programme budget 2000-2001	*Adjustments recommended by the Advisory Committee*[a]	*Proposed programme budget + adjustments*	*Exchange rate*	*Inflation*	*Total changes*	*Estimated 2000-2001 appropriation*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6) (2+4+5)*	*(7)*
(Thousands of United States dollars)						
2 655 362.4	(5 785.2)	2 649 577.2	(69 563.8)	4 615.0	(70 734.0)	2 584 628.4

[a] See paras. 10 and 11 below.

4. The following annexes to the present report provide the proposed revised recosting factors to be applied for the first recosting in the biennial cycle and are compared to the assumptions applied in the preliminary recosting included in the proposed programme budget for the biennium 2000-2001:

Schedule I. Rates of exchange and annual rates of inflation by main duty station included in the proposed programme budget and in the present report

Schedule II. Post adjustment multipliers by main duty station

Schedule III. Cost-of-living adjustments by main duty stations (General Service)

Schedule IV. Effect of recosting by section, subsection and main determining factor

5. The United Nations operational rates of exchange in force at the time of the recosting (latest exchange rate) have frequently been used as the basis of recostings. In the present recosting, a similar approach of using the latest rate of exchange (that is, November 1999) has been used. This is in line with the views of the Advisory Committee on Administrative and Budgetary Questions (A/51/7/Add.6, para. 5) that the Administration should use such operational rates of exchange in its recosting exercises as would allow for the lowest estimates.

6. With respect to inflation, consideration is given, as necessary, to a series of factors, including analysis of the movement of the consumer price index at the different duty stations for goods and services, and probable increases in the salaries of General Service staff as a result of the movement of consumer price indices and the outcome of comprehensive salary surveys.

7. In the case of the salaries of staff in the Professional category, while base salaries are not affected by exchange rates, as they are denominated in dollars, the post adjustment component moves in response to changes in cost-of-living and exchange rates. The base salaries are, however, adjusted at each recosting to incorporate latest trends following an analysis of monthly payroll data by grade for each duty station.

8. The present recosting takes into consideration a number of recommendations of the Advisory Committee, which have been separately identified in paragraphs 9 to 11 below, as well as the attached schedules to the present report. While the General Assembly is yet to take action on the recommendations, the assumption has been made that it would be best to reflect them at this stage, to the extent that they can be specifically costed. This would allow Member States to have a more comprehensive picture of the overall level of estimates for consideration in determining the appropriation for the biennium 2000-2001. It should be noted, however, that the following clarifications would apply.

9. In paragraph 128 of its report (A/54/7), the Advisory Committee indicated that it had no basis to change the overall level of resources proposed by the Secretary-General. At the same time, however, in paragraph 130, the Committee indicated that there were several areas and sections where additional resources could be required. In order to identify these specific areas or sections, subject to compensating increases or reductions in resources, section guidance would be required before they could be reflected in the estimates. However, in the case of those clearly identified recommendations of the Advisory Committee affecting individual sections of the budget, their effects have been incorporated in the present recosting and are detailed below.

10. In paragraph 28 of the introduction to the proposed programme budget for the biennium 2000-2001, a uniform vacancy rate was proposed for posts in the Professional and General Service category: a rate of 5 per cent for staff in the Professional category and a rate of 2.5 per cent for General Service staff. However, in paragraph 36 of its report, the Advisory Committee recommended the reinstatement of the 50 per cent delayed recruitment factor for new posts. Accordingly, adjustments have been made in line with the recommendations of the Advisory Committee and these amount to $48.9 million gross.

11. In addition to the following other recommendations, amounting to $903,200 to individual sections have been incorporated in the recosting. These are listed below with reference to the specific section and paragraph of the report of the Advisory Committee as follows:

	Recommendations of the Advisory Committee contained in its report (A/54/7)	
Section	*Paragraph reference*	*Description*
Section 1, Overall policy-making, direction and coordination	I.16	Not convinced of the proposal for a new P-5 post in the Executive Office of the Secretary-General to assist the Deputy Secretary-General in her responsibilities related to the ongoing reform process.
Section 11A, Trade and development	IV.38	Recommendation against the redeployment of a P-2 post from subprogramme 5 to subprogramme 1.
Section 22, Human rights	VI.12	Recommendation against the request for the additional new P-4 post for the New York Office of the High Commissioner.
Section 25, Humanitarian assistance	VI.28 and VI.31	Recommendation against the redeployment of one P-2 from New York, to the Geneva Liaison Unit of the Inter-Agency Standing Committee (subprogramme 2 to subprogramme 1);
		Recommendation that the subvention to the United Nations Development Programme from the regular budget be set at $2,310,000 for the biennium 2000-2001, as opposed to the amount of $2,309,300 (an increase of $700).
Section 26, Public information	VII.8	Recommendation against the reclassification of the P-5 to D-1 (under executive direction and management).
Section 28, Internal oversight	IX.5	Recommendation against the reclassification of the P-5 to D-1 under executive direction and management; and recommendation that the new post for a planning and compliance officer be provided at the P-4 level and at the P-5 level reflected in the proposed programme budget.
Section 29, Jointly financed administrative activities	X.16	Recommendation against the appropriation of the United Nations share as it related to the Information Systems Coordination Committee.

12. Schedule IV contains a detailed listing, by section and main determining factor, of the revised estimates for the biennium 2000-2001 resulting from the recosting of the resource requirements of the expenditure sections in the proposed programme budget, inclusive of the adjustments enumerated in paragraphs 10 and 11 above, using the rates of exchange and inflation recommended in the present report.

13. The foregoing budget factors are also proposed to be applied to the income sections. The revised estimates for the income sections are summarized below:

Section	*Initial proposed programme budget 2000-2001*	*Revised estimates*	*Increase/(decrease)*
	(Thousands of United States dollars)		
IS1. Income from staff assessment	326 945.2	323 119.6	(3 825.6)
IS2. General income	37 900.0	37 356.0	(544.0)
IS3. Services to the public	5 590.5	5 215.4	(375.1)
Total	**370 435.7**	**365 691.0**	**(4 744.7)**

Schedule I

Rates of exchange and annual rates of inflation by main duty station included in the proposed programme budget and in the present report

Main duty station	Rates of exchange 2000-2001		Average annual rates of inflation (percentage)			
			Proposed programme budget		In the present report	
	Proposed programme budget	In the present report[a]	1999[b]	2000-2001	1999[c]	2000-2001
New York (United States dollars)	-	-	2.4	2.4	2.2	2.6
Geneva (Swiss francs)	1.46	1.53	0.9	0.9	0.7	1.1
Vienna (Austrian schillings)	12.45	13.10	1.5	1.5	0.6	1.2
The Hague (Netherlands guilders)	2.01	2.10	2.3	2.3	2.3	2.4
Bangkok (Thai baht)	41.17	38.91	7.0	7.0	0.8	0.8
Santiago (Chilean pesos)	451.55	535.00	4.8	4.8	2.9	2.9
Mexico City (Mexican pesos)	8.78	9.45	13.3	13.3	16.6	16.6
Addis Ababa (Ethiopian birr)	7.06	8.12	2.4	2.4	2.2	2.6
Nairobi (Kenyan shillings)	60.45	75.00	9.0	9.0	5.8	5.8
Port-of-Spain (Trinidad and Tobago dollars)	6.24	6.20	5.8	5.8	3.1	3.1
UNMOGIP (rupees)	40.44	43.12	16.5	16.5	10.1	10.1
UNTSO (new shekels)	3.67	4.24	4.0	4.0	5.3	5.3
Gaza (new shekels)	3.67	4.24	4.0	4.0	5.3	5.3
UNRWA (shekels)	3.67	4.24	4.0	4.0	5.3	5.3
Beirut (Lebanese pounds)	1 512.18	1 501.00	4.9	4.9	1.5	1.5
United Nations information centres[d]	-	-	2.4	2.4	2.2	2.6

[a] 1999 November rate.

[b] Revised 1998-1999 appropriation.

[c] 1999 average with actuals through November and November rate projected for December.

[d] Combined effect of inflation and exchange rate changes.

Schedule II

Post adjustment multipliers by main duty station

Main duty station	Proposed programme budget			This report	
	1999[a]	2000[b]	2001[b]	2000	2001
New York	146.9	146.8	149.5	148.6	151.7
Geneva	154.0	150.3	150.3	144.2	144.2
Vienna	136.5	134.2	135.8	127.2	127.9
The Hague	127.6	124.6	125.7	120.0	120.6
Bangkok	116.9	110.0	113.6	111.3	111.3
Santiago	129.0	127.1	128.8	116.2	116.2
Mexico City	108.3	119.2	127.5	117.2	127.0
Addis Ababa	118.1	115.3	115.3	112.8	112.8
Nairobi	125.0	127.8	133.9	118.2	118.2
Port-of-Spain	120.1	119.5	123.8	116.9	119.4
UNMOGIP	127.6	132.9	145.5	126.4	133.8
UNTSO	123.5	125.0	126.9	119.5	121.4
Gaza	123.5	125.0	126.9	119.5	121.4
UNRWA	123.5	125.0	126.9	119.5	121.4
Beirut	148.1	144.6	145.3	144.7	144.7
United Nations information centres	126.8	129.2	131.7	127.9	128.6

[a] Revised 1998-1999 appropriations.

[b] Multipliers for 2000 onwards adjusted for consolidation of 2.48 multiplier points effective 1 March 1999.

Schedule III

Annual cost-of-living adjustments by main duty station (General Service)

	Proposed programme budget		*In the present report*	
Main duty station	*1999*[a]	*2000*	*1999*	*2000-2001*
New York	2.0	2.0	1.5	2.6
Geneva	-	-	-	1.1
Vienna	-	-	-	1.2
The Hague	2.2	2.0	1.5	2.4
Bangkok	15.0	15.0	-	0.8
Santiago	5.7	5.0	4.3	2.9[b]
Mexico City	12.1	10.0	10.5	16.6
Addis Ababa	4.6	4.6	4.6	2.6[b]
Nairobi	8.0	8.0	18.8	5.8[b]
Port-of-Spain	3.1	3.2	6.0	3.1
UNMOGIP	4.5	4.5	16.7	10.1[b]
UNTSO	6.3	6.3	6.9	5.3[b]
GAZA	6.3	6.3	6.9	5.3
UNRWA	6.3	6.3	6.9	5.3
Beirut	4.5	4.5	4.5	1.5[b]
United Nations information centres	4.5	4.5	4.5	2.6

[a] Revised 1998-1999 appropriations.

[b] Projections.

Schedule IV

Effect of recosting by section, subsection and main determining factor

(Thousands of United States dollars)

Expenditure sections	*Proposed programme budget (1)*	*Administrative Committee recommended adjustments (2)*	*Proposed programme budget Administrative Committee (3)*	*Recosting*		*Total changes (6)=(2)+(4)+(5)*	*Estimated 2000-2001 appropriation (7)=(1)+(6)*
				Currency (4)	*Inflation (5)*		
1 Overall policy-making, direction and coordination	48 658.3	(537.7)	48 120.6	(364.6)	304.4	(597.9)	48 060.4
2 General Assembly affairs and conference services	441 244.9	-	441 244.9	(8 619.2)	2 247.8	(6 371.4)	434 873.5
3 Political affairs	134 647.0	(38.3)	134 608.7	-	407.1	368.8	135 015.8
4 Disarmament	14 216.2	(226.8)	13 989.4	(91.1)	55.4	(262.5)	13 953.7
5 Peacekeeping operations	88 598.2	-	88 598.2	(7 102.3)	961.8	(6 140.5)	82 457.7
6 Peaceful uses of outer space	4 162.0	-	4 162.0	(194.5)	(111.9)	(306.4)	3 855.6
7 International Court of Justice	22 263.1	(315.6)	21 947.5	(517.4)	114.6	(718.4)	21 544.7
8 Legal affairs	35 299.7	(194.8)	35 104.9	(170.9)	166.9	(198.8)	35 100.9
9 Economic and social affairs	113 822.6	-	113 822.6	-	935.0	935.0	114 757.6
10 Africa: New Agenda for Development	6 337.2	(263.7)	6 073.5	(124.0)	129.4	(258.3)	6 078.9
11 Trade and development	115 473.3	-	115 473.3	(5 080.0)	(42.8)	(5 122.8)	110 350.5
A. Trade and development	95 302.4	-	95 302.4	(4 173.4)	(27.2)	(4 200.6)	91 101.8
B. International Trade Centre UNCTAD/WTO	20 170.9	-	20 170.9	(906.6)	(15.6)	(922.2)	19 248.7
12 Environment	9 463.4	-	9 463.4	(1 031.6)	568.5	(463.1)	9 000.3
13 Human settlements	14 633.3	-	14 633.3	(2 070.3)	1 544.2	(526.1)	14 107.2
14 Crime prevention and criminal justice	6 175.6	(105.3)	6 070.3	(277.2)	(156.2)	(538.7)	5 636.9
15 International drug control	17 558.9	(295.6)	17 263.3	(762.9)	(408.0)	(1 466.5)	16 092.4
16 Economic and social development in Africa	83 519.3	(558.6)	82 960.7	(9 041.1)	5 764.5	(3 835.2)	79 684.1
17 Economic and social development in Asia and the Pacific	64 472.6	-	64 472.6	3 199.8	(9 984.3)	(6 784.5)	57 688.1
18 Economic development in Europe	44 290.6	(117.0)	44 173.6	(1 965.8)	182.8	(1 900.0)	42 390.6
19 Economic and social development in Latin America and the Caribbean	90 757.7	-	90 757.7	(10 986.6)	224.3	(10 762.3)	79 995.4

Expenditure sections	Proposed programme budget (1)	Administrative Committee recommended adjustments (2)	Proposed programme budget, Administrative Committee (3)	Recosting		Total changes (6)=(2)+(4)+(5)	Estimated 2000-2001 appropriation (7)=(1)+(6)
				Currency (4)	Inflation (5)		
20 Economic and social development in Western Asia	53 011.4	-	53 011.4	368.2	(2 297.5)	(1 929.3)	51 082.1
21 Regular programme of technical cooperation	45 138.9	-	45 138.9	(1 722.5)	(864.4)	(2 586.9)	42 552.0
22 Human rights	43 429.9	(921.1)	42 508.8	(1 504.4)	134.6	(2 290.9)	41 139.0
23 Protection of and assistance to refugees	45 650.2	-	45 650.2	(2 061.1)	395.1	(1 666.0)	43 984.2
24 Palestine refugees	23 350.4	-	23 350.4	(2 860.1)	687.4	(2 172.7)	21 177.7
25 Humanitarian assistance	20 029.0	(446.4)	19 582.6	(220.7)	96.8	(570.3)	19 458.7
26 Public information	145 734.0	(23.4)	145 710.6	(366.4)	(97.5)	(487.3)	145 246.7
27 Management and central support services	460 086.6	-	460 086.6	(8 478.0)	2 412.3	(6 065.7)	454 020.9
A. Office of the Under-Secretary-General for Management	11 619.9	-	11 619.9	-	113.3	113.3	11 733.2
B. Office of Programme Planning, Budget and Accounts	22 761.9	-	22 761.9	-	172.2	172.2	22 934.1
C. Office of Human Resources Management	48 840.4	-	48 840.4	-	254.5	254.5	49 094.9
D. Office of Central Support Services	231 323.0	-	231 323.0	-	380.5	380.5	231 703.5
E. Administration, Geneva	99 671.4	-	99 671.4	(4 510.8)	825.4	(3 685.4)	95 986.0
F. Administration, Vienna	29 875.7	-	29 875.7	(1 454.7)	(238.4)	(1 693.1)	28 182.6
G. Administration, Nairobi	15 994.3	-	15 994.3	(2 512.5)	904.8	(1 607.7)	14 386.6
28 Internal oversight	20 079.9	(458.9)	19 621.0	(299.6)	367.9	(390.6)	19 689.3
29 Jointly financed administrative activities	8 451.8	(466.5)	7 985.3	(202.2)	(110.9)	(779.6)	7 672.2
30 Special expenses	53 888.4	-	53 888.4	(404.8)	(42.6)	(447.4)	53 441.0
31 Construction, alteration, improvement and major maintenance	45 653.7	-	45 653.7	(1 434.9)	(1 045.8)	(2 480.7)	43 173.0
32 Staff assessment	322 199.3	(815.5)	321 383.8	(5 177.6)	2 076.1	(3 917.0)	318 282.3
33 Development Account	13 065.0	-	13 065.0	-	-	-	13 065.0
Total expenditure estimates (gross)	**2 655 362.4**	**(5 785.2)**	**2 649 577.2**	**(69 563.8)**	**4 615.0**	**(70 734.0)**	**2 584 628.4**